



ACQUISITION AND  
TECHNOLOGY

THE UNDER SECRETARY OF DEFENSE  
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WASHINGTON, D.C. 20301-3010



SEP 25 1997


MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS  
DIRECTORS OF DEFENSE AGENCIES

SUBJECT: Disposition of Excess and Underutilized Government Property in the  
Possession of Contractors

Deputy Secretary Hamre, in his Management Reform Memorandum No. 5 of May 21, called for a plan to dispose of all excess Government property in the possession of contractors by January 1, 2000. As I discussed in my September 15 memorandum, our Government Property Integrated Process Team identified this as one of three critical courses of action for decreasing the amount of property to which we take title and the amount of money we pay to keep it.

Accordingly, the Military Departments and the Defense Contract Management Command have developed a plan to eliminate excess Government-owned tooling, equipment, and material and reduce the amount of underutilized government property in the custody of contractors beginning immediately and concluding by January 1, 2000. In concert with the plan, Contract Administration Offices will ask those contractors having contracts that meet the review criteria to identify and report excess and underutilized government-owned property in their possession. Program managers and other property owners should be prepared to then make retention and disposition decisions according to the plan, a copy of which is attached.

I believe this plan presents us with an excellent opportunity to decrease both the complexity and costs of our property accounts. Should you need additional background, please contact Ms. Janice Hawk of the Defense Contract Management Command at (703) 767-3433.

  
R. Noel Longumare  
Acting Under Secretary of Defense  
(Acquisition and Technology)

Attachment:  
As stated



ATCH 1